Canada

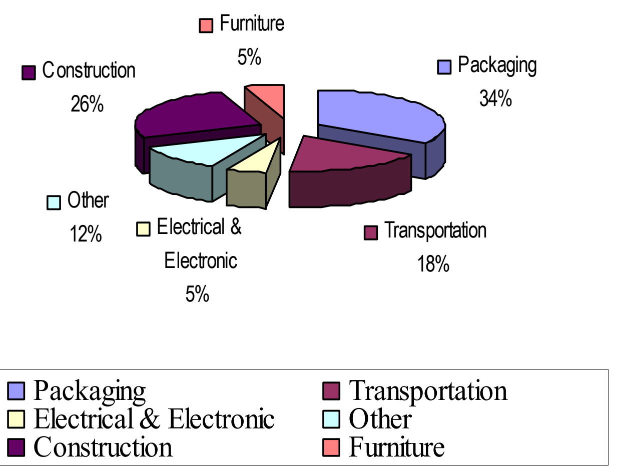
Plastics

The Canadian Plastics market is a high-growth industry that is estimated to grow at an annual rate of 4%-5% in 2005 and beyond. Canadian and worldwide demand for plastics is expected to continue growing faster than overall manufacturing and the economy as a whole.

Market Overview

- In 2004 approximately 2065 establishments in Canada generated shipments valued at C$19.3 billion and employed approximately 101 250 people in the plastics industry. 48% of all establishments were located in Ontario, 26% in Quebec, 12% in the Prairie Provinces, 11% in British Columbia, and 3% in the Atlantic Provinces. More than two-thirds of the plastics products made in Canada come from Ontario.
- Exports totaled C$9.2 billion and imports were valued at C$6.5 billion in 2004. Canadian exports of plastic products have grown dramatically during the 1990s, from 18% of total shipments in 1990 to 47% in 2004. Imports of resins have also increased significantly during this period and by 2004 accounted for 39% of total domestic consumption. Resin costs typically account for 30% to 50% of the final value of a plastic product.
- Ontario is the 3rd largest plastics producing region in North America and accounts for 66% of shipments of plastic products, 61% of raw materials and machinery shipments and 85% of mould shipments.
- There are a large number of small and medium sized enterprises (SMEs) in the Canadian plastics industry. 95% of these firms are Canadian-owned.

Canada: End-Use Markets for Plastics 2003



Commercial Opportunities

- Major markets for plastic products are in packaging, construction, automotive and electronics. However plastics are used by virtually every industry sector and continue to displace other materials such as paper, glass, metal, steel and concrete.
- The majority of SMEs that are characteristic of the Canadian Plastics industry have not invested their financial resources into long-term research and development initiatives; therefore these SMEs lack a competitive advantage through product differentiation.

U.S. Presence

- Trade is heavily skewed toward the United States, which accounted for 93% of Canadian exports and 79% of imports in 2004.
- U.S. firms have higher rates of capital investment and productivity in the plastics industry and have shown a stronger commitment to productivity-enhancing technology in contrast to Canadian firms. Larger firms are proportionately more dominant in the United States allowing for these firms to capitalize on economies of scale.
- U.S. suppliers have established very reliable distribution and servicing networks in Canada in order to sustain their dominant position in the market.

Think Canada First!

U.S. suppliers offering innovative, technologically advanced, environmentally friendly, plastic products, components, systems and services that offer quality, durability, and ease of maintenance will continue to find a highly receptive plastics products market in Canada. Companies with vertically integrated product lines that facilitate one-stop-shopping also have an added advantage when selling into the Canadian market. We encourage U.S. companies to contact the U.S. Commercial Service to receive more information on how to increase their export potential in the Canadian Plastics Industry.

When you think of exporting, Think Canada First!

We hope that you find this information useful. If you would like further information contact CS Canada National Plastics, Advanced Materials, and Chemicals Specialist, Madellon.Lopes@mail.doc.gov or phone (416) 595-5412, ext. 227.

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